



Ninety-Eighth Legislature - First Session - 2003
Committee Statement
LB 588

Hearing Date: March 3, 2003

Committee On: Banking, Commerce and Insurance

Introducer(s): (Kruse, Byars, Combs, Schrock, Stuhr, Synowiecki, Dw. Pedersen, Schimek, Thompson)

Title: Change provisions relating to insurance coverage for mental health conditions

Roll Call Vote – Final Committee Action:

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

Vote Results:

7	Yes	Senators Quandahl, Tyson, Foley, Jensen, Louden, Mines, Redfield
	No	
1	Present, not voting	Senator Johnson
	Absent	

Proponents:

Senator Lowen Kruse
John O'Neal

Steve Buck
Chuck Stepanek
Dr. William Spaulding
Topher Hansen
Judith Knutson
Vicki Hahn
Denis McCarville
Cheryl Crouse

Opponents:

Galen Ullstrom
Thomas Jenkins
Tony Sorrentino

David McBride
William Peters

Representing:

Introducer
NE Advocacy Services
NE Mental Health Parity Coalition
National Alliance of Mentally Ill
NE Nurses Association
NE Psychological Association
NE Assn. of Behavioral Health Organizations
Self
Self
Children and Family Coalition of NE
Self

Representing:

Mutual of Omaha Insurance Co.
Blue Cross/Blue Shield of NE
NE Chamber of Commerce
National Federation of Independent Business
NE Bankers Assn.
Assn. of Insurance & Financial Advisors-NE
Golden Rule Insurance Co.

Neutral:**Representing:**

Summary of purpose and/or changes:**OVERVIEW**

LB 588 (Kruse, Byars, Combs, Schrock, Stuhr) would amend provisions throughout sections 44-791 to 44-795 (LB 355 of 1999) to change requirements for health insurance plans regarding coverage for mental health conditions. The bill would amend these sections to provide that all individual and group health insurance plans shall cover health care rendered for treatment of mental health conditions.

SUMMARY

Section 1 would amend section 44-791 which provides legislative findings and intent. The bill would amend this section to find that, among other things, there is a “disparate level” rather than a “lack” of insurance coverage for mental health conditions, and to state intent that persons with health insurance plans be provided with a “nondiscriminatory” rather than a “minimum” level of coverage for mental health conditions.

Section 2 would amend section 44-792 which provides definitions.

This section would amend the definition of “health insurance plan” so that it would mean an individual as well as a group plan, and so that the act would apply to all employer groups and not just those with fifteen or more employees.

This section would amend the definition of “mental health professional” so that it would also include an “advanced practice registered nurse.”

This section would amend the definition of “rate, term, or condition” so that it would include “medication management, and other financial components or treatment limits” and so that it would no longer exclude “deductibles, copayments, or coinsurance.”

This section would eliminate the definition of “serious mental illness.”

Section 3 would amend section 44-793 to provide that a health insurance plan shall not utilize any rate, term, or condition that places a greater financial burden on an insured for access to “evaluation” as well as treatment for a mental health condition than for access to “evaluation” as well as treatment for a physical health condition. This section would provide that no limit except an out-of-pocket limit shall be utilized for either physical health conditions or mental health conditions. This section would repeal language which provides that if a health insurance plan provides coverage for treatment of mental health conditions, it must then provide coverage for treatment of serious mental illness. This section would provide that a health insurance plan shall cover treatment of mental health conditions by, among others, a physician assistant, and an alcohol, drug abuse, or compulsive gambling counselor. This section would require coverage for the spouse and dependents of the insured if otherwise covered under the health insurance plan.

Section 4 would amend section 44-794 to provide that a health insurance plan, when making the determination of whether a treatment is medically necessary and appropriate, shall use the same criteria for treatment of mental health conditions as for physical health conditions under the health insurance plan. This section would repeal language which provides that a health insurance plan does not violate the act if it applies different rates, terms, and conditions or excludes coverage entirely for experimental treatments. This section would repeal language which provides that a health insurance plan is not required to offer nonemergency services outside its network.

Section 5 would enact a new section to authorize the Director of Insurance to fine or revoke the license of a health insurance plan for a violation of the act.

Section 6 would enact a new section to require the Director of Insurance to submit an annual report to the Legislature and the Governor regarding the state of mental and physical health insurance coverage in the state.

The bill provides that it would become operative on January 1, 2004.

Explanation of amendments, if any:

Senator Mark Quandahl, Chairperson